

SB002_L.011

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.SB18-002 be amended as follows:

1 Amend printed bill, page 2, line 3, strike "(32)(a)" and substitute "(32)(a);
2 and **repeal** (19.3)."

3 Page 3, after line 9 insert:

4 "(19.3) ~~"Nondiscriminatory and competitively neutral basis"~~
5 ~~means that decisions by the commission concerning the distribution of~~
6 ~~high cost support mechanism funding to eligible providers shall be made~~
7 ~~using regulatory principles that are neutral in their effect, that do not~~
8 ~~favor one class of providers over another, and that do not result in the~~
9 ~~imposition of regulatory requirements or costs on one class of eligible~~
10 ~~providers that are not imposed on others."~~

11 Page 3, strike line 23 and substitute "(2)(a)(II), (2)(a)(III), and (3)(a); and
12 **add** (2)(a)(IV), (2)(a)(V), (4), (5), and (6) as follows:"

13 Page 3, strike line 26 and substitute "- **repeal.** (2) (a) (II) The
14 commission shall ensure that no local exchange provider is receiving
15 funds from this or any other source that, together with local exchange
16 service revenues, exceeds the cost of providing local exchange service to
17 the provider's customers. The high cost support mechanism shall be
18 supported and distributed ~~equitably and on a nondiscriminatory;~~
19 ~~competitively neutral basis~~ through a neutral assessment on all
20 telecommunications providers in Colorado.

21 (III) The commission ~~at its regularly scheduled meetings~~".

22 Page 4, after line 23 insert:

23 "(V) IN ACCORDANCE WITH SUBSECTION (2)(a)(IV) OF THIS
24 SECTION, THE COMMISSION, IN MAKING DISTRIBUTIONS OF HIGH COST
25 SUPPORT MECHANISM MONEY IN THE YEARS 2019 THROUGH 2023, SHALL
26 NEITHER:

27 (A) MAKE EFFECTIVE COMPETITION DETERMINATIONS; NOR
28 (B) APPLY ANY SECTION OF THIS ARTICLE 15 THAT REQUIRES AN
29 EFFECTIVE COMPETITION DETERMINATION BE MADE OR THAT IN ANY WAY
30 CONFLICTS WITH SUBSECTION (2)(a)(IV) OF THIS SECTION WITH REGARD
31 TO THE DISTRIBUTIONS.

32 (3) (a) There is hereby created, in the state treasury, the Colorado
33 high cost administration fund, referred to in this section as the "fund",
34 which shall be used to reimburse the commission and its contractors for

1 reasonable expenses incurred in the administration of the high cost
2 support mechanism, including administrative costs incurred in association
3 with broadband service, as determined by rules of the commission. The
4 general assembly shall appropriate annually the ~~moneys~~ MONEY in the
5 fund that ~~are~~ IS to be used for the direct and indirect administrative costs
6 incurred by the commission and its contractors. At the end of any fiscal
7 year, all unexpended and unencumbered ~~moneys~~ MONEY in the fund
8 ~~remain~~ REMAINS in the fund and shall not be credited or transferred to the
9 general fund or any other fund. ~~Based upon the high cost support~~
10 ~~mechanism, the balance remaining in the fund, and the amount~~
11 ~~appropriated annually by the general assembly for use by the commission,~~
12 ~~each year the commission shall determine the nondiscriminatory,~~
13 ~~competitively neutral assessment on all telecommunications service~~
14 ~~providers in Colorado that will be necessary to cover the cost of~~
15 ~~implementing and administering the high cost support mechanism.~~ Only
16 the ~~moneys~~ MONEY from the assessment IN THE HIGH COST SUPPORT
17 MECHANISM THAT IS NECESSARY for administering the high cost support
18 mechanism shall be transmitted to the state treasurer, who shall credit the
19 same to the fund. All interest derived from the deposit and investment of
20 ~~moneys~~ MONEY in the fund ~~remain~~ REMAINS in the fund and ~~do~~ DOES not
21 revert to the general fund."

22 Page 5, after line 4 insert:

23 "(5) ON OR BEFORE DECEMBER 31, 2018, THE COMMISSION SHALL
24 ESTABLISH A PLAN TO ELIMINATE, ON AN
25 EXCHANGE-AREA-BY-EXCHANGE-AREA BASIS, OBLIGATIONS IMPOSED
26 PURSUANT TO SECTIONS 40-15-401 (1)(b)(IV) AND 40-15-502 (5)(b) AND
27 (6)(a) IN THE SAME PROPORTIONS AND AT THE SAME TIMES THAT HIGH
28 COST SUPPORT MECHANISM DISTRIBUTIONS FOR BASIC SERVICE ARE
29 REDUCED PURSUANT TO SUBSECTION (2)(a)(IV) OF THIS SECTION."

30 Renumber succeeding subsection accordingly.

31 Page 5, line 11, strike "(5)(a), (6), (7)" and substitute "(5)(a), (5)(f), (7)",
32 and strike "(4)(b);" and substitute "(4)(b) and (6);".

33 Page 5, strike lines 26 and 27 and substitute:

34 "(f) (I) If a board member has a conflict of interest with respect to
35 any matter addressed by the board, including a financial interest in the
36 matter, the member shall recuse himself or herself from any discussion or
37 decisions on the matter.

1 (II) (A) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION
2 (5)(c)(I), (5)(c)(II), OR (5)(c)(IV) OF THIS SECTION IS NOT DEEMED TO
3 HAVE A CONFLICT OF INTEREST MERELY BY VIRTUE OF RESIDING IN OR
4 REPRESENTING AN UNSERVED AREA OR AN AREA THAT IS THE SUBJECT OF
5 AN APPLICATION BEFORE THE BOARD.

6 (B) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION
7 (5)(c)(III) OF THIS SECTION IS DEEMED TO HAVE A CONFLICT OF INTEREST
8 WITH RESPECT TO AN APPLICATION FILED BY AN ENTITY THAT THE BOARD
9 MEMBER REPRESENTS; HOWEVER, IF SUCH APPLICATION IS FILED, THE
10 BOARD MEMBER MAY STILL PARTICIPATE IN DISCUSSIONS ABOUT OTHER
11 APPLICATIONS BEFORE THE BOARD, BUT SHALL NOT VOTE ON THOSE OTHER
12 APPLICATIONS.

13 ~~(6) The board's powers and duties commence three months after~~
14 ~~moneys are first allocated from the HCSM to the fund.~~

15 ~~(7) For a period of at least six months before accepting~~
16 ~~applications for proposed projects; The board shall provide notice to and".~~

17 Page 6, strike lines 1 through 4.

18 Page 7, strike lines 16 through 27 and substitute:

19 "(10.5) THE BOARD SHALL MAKE EVERY EFFORT TO ENSURE THAT
20 A PROJECT FUNDED PURSUANT TO THIS SECTION DOES NOT DUPLICATE
21 ANOTHER BROADBAND PROJECT OR BROADBAND NETWORK, INCLUDING
22 ANY PROJECT SUPPORTED OR APPROVED BY THE DEPARTMENT OF LOCAL
23 AFFAIRS."

24 Page 8, strike lines 1 through 13.

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